

República de Honduras
Secretaría de Industria y Comercio

March 7, 2006

Mr. Scott D. Quesenberry
Special Textile Negotiator
Office of the United States Trade Representative
600 Seventeenth Street, N.W.
Washington, DC 20508

Dear Mr. Quesenberry:

I have the honor to confirm the following understandings reached between our Governments regarding Article 3.25 (Rules of Origin and Related Matters) of the Dominican Republic – Central America – United States Free Trade Agreement signed on August 5, 2004 (the “Agreement”):

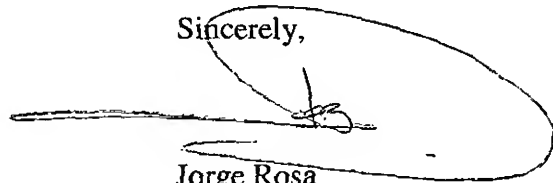
- (1) After the Agreement enters into force, the United States will propose a modification to the Agreement’s rules of origin, pursuant to Article 3.25 of the Agreement. This modification will provide that, if an apparel good contains a pocket or pockets, the pocket bag fabric must be formed and finished in the territory of one or more of the Parties to the Agreement from yarn wholly formed in the territory of one or more of the Parties to the Agreement in order for that apparel good to qualify as an originating good under the Agreement (“pocket fabric rule of origin modification”).
- (2) Honduras is prepared to engage in Article 3.25 consultations immediately after the Agreement enters into force, and will agree to the pocket fabric rule of origin modification in those consultations without condition or delay.
- (3) After the Agreement enters into force, Honduras will propose a modification to the Agreement’s rules of origin, pursuant to Article 3.25 of the Agreement. This modification will provide that men’s shirts classified in tariff items 6205.20.2015 and 6205.30.2010 shall be considered originating goods under the Agreement regardless of the origin of the fibers, yarns, or fabrics used in the production of the component of the good that determines the tariff classification of the good, provided that the good satisfies all other applicable requirements of Chapter Four (Rules of Origin and Origin Procedures) of the Agreement.

A handwritten signature in dark ink, consisting of a stylized 'S' followed by a series of loops and a final flourish.

- (4) The United States is prepared to engage in Article 3.25 consultations regarding the proposed rule of origin modification described in paragraph (3) immediately after the Agreement enters into force, and will agree to the proposed modification in those consultations without condition or delay.
- (5) Subject to the acceptance of the proposed modifications described in paragraphs (1) and (3) by the other Parties to the Agreement, and after the proposed modifications are approved in accordance with the applicable legal procedures of each of the Parties, Honduras and the United States shall implement the proposed modifications on a date the Parties shall determine.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.

Sincerely,

A handwritten signature in dark ink, appearing to be "Jorge Rosa", is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

Jorge Rosa
Vice Minister of Foreign Trade

cc:

Ms. Doris Osterlof, Vice Minister of Foreign Trade of Costa Rica
Mr. Marcello Puello, Vice Minister of Trade of the Dominican Republic
Mr. Eduardo Ayala, Vice Minister of Foreign Trade of El Salvador
Mr. Enrique Lacs, Vice Minister of Economy of Guatemala
Mr. Alejandro Arguello, Vice Minister of Trade of Nicaragua

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

March 7, 2006

Mr. Jorge Rosa
Vice Minister of Foreign Trade
Government of Honduras
Tegucigalpa, Honduras

Dear Vice Minister Rosa:

I am pleased to acknowledge your letter of today's date, which reads as follows:

"I have the honor to confirm the following understandings reached between our Governments regarding Article 3.25 (Rules of Origin and Related Matters) of the Dominican Republic – Central America – United States Free Trade Agreement signed on August 5, 2004 (the "Agreement"):

- (1) After the Agreement enters into force, the United States will propose a modification to the Agreement's rules of origin, pursuant to Article 3.25 of the Agreement. This modification will provide that, if an apparel good contains a pocket or pockets, the pocket bag fabric must be formed and finished in the territory of one or more of the Parties to the Agreement from yarn wholly formed in the territory of one or more of the Parties to the Agreement in order for that apparel good to qualify as an originating good under the Agreement ("pocket fabric rule of origin modification").
- (2) Honduras is prepared to engage in Article 3.25 consultations immediately after the Agreement enters into force, and will agree to the pocket fabric rule of origin modification in those consultations without condition or delay.
- (3) After the Agreement enters into force, Honduras will propose a modification to the Agreement's rules of origin, pursuant to Article 3.25 of the Agreement. This modification will provide that men's shirts classified in tariff items 6205.20.2015 and 6205.30.2010 shall be considered originating goods under the Agreement regardless of the origin of the fibers, yarns, or fabrics used in the production of the component of the good that determines the tariff classification of the good, provided that the good satisfies all other applicable requirements of Chapter Four (Rules of Origin and Origin Procedures) of the Agreement.
- (4) The United States is prepared to engage in Article 3.25 consultations regarding the proposed rule of origin modification described in paragraph (3) immediately after the Agreement enters into force, and will agree to the proposed modification in those consultations without condition or delay.

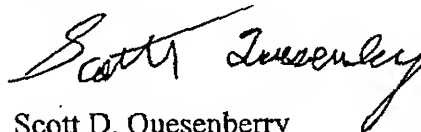
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- (5) Subject to the acceptance of the proposed modifications described in paragraphs (1) and (3) by the other Parties to the Agreement, and after the proposed modifications are approved in accordance with the applicable legal procedures of each of the Parties, Honduras and the United States shall implement the proposed modifications on a date the Parties shall determine.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments."

I have the honor to confirm that the understandings referred to in your letter are shared by my Government, and that your letter and this reply shall constitute an agreement between our two Governments.

Sincerely,



Scott D. Quesenberry
Special Textile Negotiator

cc:

Ms. Doris Osterlof, Vice Minister of Foreign Trade of Costa Rica
Mr. Marcello Puello, Vice Minister of Trade of the Dominican Republic
Mr. Eduardo Ayala, Vice Minister of Foreign Trade of El Salvador
Mr. Enrique Lacs, Vice Minister of Economy of Guatemala
Mr. Alejandro Arguello, Vice Minister of Trade of Nicaragua